INSTANT SHOPPING – MILLENNIAL USER IN BATAM CITY DURING COVID-19 PANDEMIC SERVICES

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Abstract

Online shopping has been really familiar for both public and smarthone users. Recent phenomenon has showed us a much-helpful simple way in providing customers' needs and consumption during Covid-19 pandemic. The limited space caused by the condition has made consumers shift towards instant online shopping. The customers' changing behaviour forces business sector to adjust and fulfil customer's need and desires. This research is implemented by using judgemental sampling method, which includes millennial generation as users on instant shopping. The amount of population is unknown, while the sample calculation is 1:10 of each questionnaire statement. Partial least square is also used in this research as analysis method, by also using SmartPLS 3.0. The result gave an analysis and found a slight change of customer's behaviour, especially in using Instagram account as an instant shopping alternative which supports recent situation. This could also be next suggestion for further development after Covid-19 pandemic.

Article Info

INTRODUCTION

A slight change of business development recently has become a serious attention, especially when Covid-19 pandemic spread through all over the world at the end of 2020. This virus occurred in Indonesia in the beginning of March 2020, launching the data from Kompas (2020) which stated that the tendency to suppress the Covid-19 growth rate in Indonesia was still far from optimal. At the beginning of the virus spread, central government in particular had already implemented a large-scale social restriction (lit. *Pembatasan Sosial Berskala Besar (PSBB)* in order to reduce the rate of spread. During this period of time, there were lot more critical effects affected to the national economy as well as public welfare. Based on the effects, a New Normal life (lit. *Adaptasi Kebiasaan Baru (AKB)*) has also been started in order to support economic activities and growth as well as Indonesian community life. According to the data of Covid-19 handling on December 2020, 11th, there were still lot of Covid-19 cases increasing in Indonesia; however, it also showed us a better rate of recovery.

Batam, as one of the economic centers in Indonesia, is highly affected by the virus. According to the data of Ministry of Indonesian Industry (2018), Batam is planned to be a center of investment; one of the starting steps include by creating Batam as a center of startup company growth. This is carried out to create Batam as innovation hub as well as support the implementation of road mad of making Indonesia 4.0. Both central and local government have carried out every steps to heal national economy issues caused by Covid-19 pandemic, especially in Batam. It includes by improving investment and business. Ministry of Coordinator for Economic Affairs of Republic Indonesia (2020), one of which is done with the Masterplan for the Acceleration of the Development of Batam, Bintan, Karimun and Tanjungpinang (BBKT). Batam is only focused as a city of international logistic relation, aerospace industry, light-and-valuable industry (high tech), creative and digital industry, international trade and finance center, as well as tourism. Based on previous data, the investment target has been carried out by setting two Specific Economy Zones (lit. *Kawasan Ekonomi Khusus (KEK)*) in Batam, that are KEK Nongsa Digital Park and KEK MRO Batam Aero Technic which also have various insentives such as tax holiday, exemption from import duty and other business conveniences.

Instant shopping has become a new trend since the pandemic occurred globally. The changing was also caused by several factors, especially when it relates to the moving-space limitation and also change of customers themselves. Brusch and Rappel (2020) who have done research on instant shopping, stated that customers' behavior recently has drastically changed, due to the condition that forced them to adapt to a new normal life. Based on that thought, instant shopping helped the customers browse for further information related to the products or brands they want and need. It also helped them have more interaction with the information details. There is also an integration that makes it easy for them to shop without having to move to another application. Moreover, an additional purchasing button is added and will lead them to the transaction page directly.

Recently, customers in Indonesia have also found the effects of Covid-19 pandemic, including forcing themselves to adapt to a new normal life and starting to replace their activity online. This also affects changes in consumer behavior in shopping and consumption. Data taken from online survey towards Indonesian society showed us significant changes, including shopping digitally by using new method and dominated by a new way of shopping, as well as shopping on different brands, shopping on private brand/stored brand product and the last, shopping on the different retailer, store and website (McKinsey & Company, 2020).

E-commerce has been rapidly developing, starting from 1990 when it led to transaction and purchase based on businese activity supported by the internet. Previous research by Chang, et. al (2005), cited by Brusch & Rappel (2020), stated that the early activity of e-commerce was based on the activity of consumer and seller to get a service or product based on transaction, business and money exchange. Few researchers have recently started to carry out some researches described in several arguments and findings which had various results. In the research, Y. J. Lim, et. al (2016), Y. M. Lim & Cham (2015) found both problem and solution to consumer's desire to shop more comfortable and seek for branded product. Other than that, consumer is found really sensitive to the price and service offered by the online store. The research was previously done in several countries including Malaysia, Singapore, Taiwan and People's Republic of China

Service Mega Disruptions (SMDs) is recently being familiar and becoming the main concern by government element and the public themselves. Businessman/woman, in particular, gains few privileges and moving-spaces in improving a more integrated developed business service. The changing, during Covid-19 pandemic, gave good and bad effects for some business owners. Jiang & Wen (2020) proved that SMDs could be handled perfectly by carrying out the innovation and implementing capable technology and AI (artificial intelligence) or driven set in the business and e-commerce, so that it will become and give a new experience to the consumer. This technology is also very effective and efficient to improve competitiveness, as stated by Mariani and Perez Vega (2020); Huang & Rust (2020) in their research. They stated that nowadays, both business activity and marketing are pretty good, while the result showed that the consumer and producer have already been in this transition. They have been using various technologies which are suitable to the recent condition and implementing the AI on the e-commerce; therefore, it is much easier in the shopping activities, or also known as instant shopping.

Brusch & Rappel (2020) described that in Instagram, instant shopping provides every information detailedly; starting from product picture, price and further information which is available and provided by the seller or businessman/woman. Other than that, it can also make consumer interact in/to the social media by using few features, such as like, share and save, or doing wishlist which can also be done in a single activity. This is much comfortable for the consumer without having to do other tiring steps.

Indonesia has been involving to the instant shopping business in Instagram since the end of July 2020. However, there were few differences with the global one. Quoted from Kompas (2020), there were few differences in term of payment method, so that it has not been as convenient as expected before; that it was supposedly make it easier for consumers not to move to another application, both in terms of payment method and time of final check out. It is indeed one condition that would become further research development, also by considering on some of the proposed hypotheses to see the results of research and the impact of this application, especially during a pandemic that affects consumer shopping. Clemens, et. al. (2020) stated that there were indeed behavior changing of the consumers and implementation of behavior that anticipates the risks that will arise. These are supported by some researchers describing the extent to which the application of technology acceptance model (TAM) has been carried out in several studies regarding instant shopping activities and also consumer behavior when shopping during a pandemic (Brusch & Rappel, 2020; Hickey & Kozlovski, 2020; Kabadayi, et. al., 2020).

Local brand in Indonesia has been really competitive in term of quality and innovation, convenience and attractiveness. The selling process is also carried out incessantly on a digital platform in a way that spoils the consumers and makes shopping easier for them. Brusch & Rappel (2020) stated that this kind of shopping activity became a new-developed method and has not yet been proven comprehensively due to the lack of related research. However, basically, instant shopping is a shopping process which provides all shopping information, including product detail, price and fast payment process. Therefore, it becomes a new opportunity for consumers to shop and look for the unexpected risk.

In this reseach, a developed hypothesis is based on a previous theory that has been reviewed and observed, as well as previous literation that has been carried out. Basically, consumers wanted an innovation, technology and convenience which could support their productivity and mobility, as well as help them be safe and comfortable on shopping process especially during Covid-19 pandemic (Bove & Benoit, 2020). These following developed hypotheses will be tested in this research model frame: which are, (1) perceived usefulness affecting to intention to use, (2) perceived ease of use affecting to intention to use, (3) convenience affecting to perceived usefulness, (4) convenience affecting to perceive ease of use, (5) perceived enjoyment affecting to perceived usefulness, (6) perceived enjoyment affecting to perceived ease of use, (7) personal innovativeness affecting to perceived usefulness, (8) personal innovativeness affecting to perceived ease of use, (9) personal innovativeness affecting to intention to use, (10) intention to use affecting to behavior intention, (11) personal innovativeness moderated between perceived usefulness affecting to intention to use, (12) personal innovativeness moderated between perceived ease of use affecting to intention to use.

METHOD

The approach used in this research is empirical approach, which was based on both direct and indirect observation. Data collection in this stage will further be bias tested: whether the data that has been collected can be processed and in accordance with the applicable methods (Patten, Mildred L. & Newhart, 2018). Data management is carried out by the result of questionnaire spread to the suitable respondents. Sampling used in this research is judgemental sampling. Hair, et. al (2018) stated that basically research analysis can refer to multivariate normality, model complexity, missing data that might occur and maximum likelihood estimation (MLE). Therefore, the scale reference of 1:10 was also used in this research. Sample used in this research is as much as 320 people of millennial generation that has been really familiar to social media, e-commerce and instant shopping in Batam.

RESULTS

The result of descriptive analysis describing identity and other informations is shown in Table 1. The result of analysis on accuracy measurement of research instrument used in this research was carried out by measuring the feasibility of validity and reliability. The feasibility criteria are based on AVE score which is over than 0.50 and reliability composite score which is over than 0.70. Garson (2016) stated that outer model is a model measurement whose consistency is in the path that connects each research variable. The result of outer model measurement showed that research instrument was valid and reliable.

Table 1. Respondent Characteristics

Respondents	Total	Percentage (%)
Male	198	61.9
Female	122	38.1
16-29 years old	288	90.0
29-35 years old	32	10.0
Private employees	150	46.8
Entrepreneurs	47	14.7
Government employees	13	4.1
Students/college students	100	31.3
Housewives	10	3.1
2-5 Million rupiahs	217	67.9
5-10 Million rupiahs	84	26.2
> 10 Million rupiahs	19	5.9

Source: Data Analysis (2021)

The inner model testing is carried out to test the variable relation on a research model or construct. This research shows few result of variable relation describing the behavior or interest of a consumer to use instant shopping influenced by several factors, as well as strengthened and weakened by the factors themselves. Further research result will be explained in Table 2 showing strong and significant relation in describing interest of instant shopping use and consumers' behavior after the use.

Table 2. Path Coefficients

Path Coefficients	Beta	T-Statistic	Kesimpulan
Perceived Usefulness → Intention to Use	0.123	2.197	H1: Supported
Perceived Ease of Use → Intention to Use	0.665	11.149	H2: Supported
Convenience → Perceived Ease of Use	0.308	5.775	H3: Supported
Convenience → Perceived Usefulness	0.223	4.336	H4: Supported
Perceived Enjoyment → Perceived Usefulness	0.491	9.234	H5: Supported
Perceived Enjoyment → Perceived Ease of Use	0.610	11.082	H6: Supported
Personal Innovativeness → Perceived Usefulness	0.342	5.525	H7: Supported
Personal Innovativeness → Perceived Ease of Use	0.293	4.945	H8: Supported
Personal Innovativeness → Intention to Use	0.104	2.469	H9: Supported
Intention to Use → Behavior Intention	0.814	27.614	H10: Supported
Moderating Effect 1	0.042	0.686	H11: Not Supported
Moderating Effect 2	-0.067	0.953	H12: Not Supported

Source: Data Analysis (2021)

DISCUSSION

The perceived usefulness & perceived ease of use found by the consumer affect siginifically to the intention to use (H1, H2 supported). It was in line to the research of Casaló et al., (2020), Gibreel et al., (2018) who have done the research related to the use of Instagram for shopping and the use level of instant shopping, especially on the transition period in the use of technology affecting consumer behavior during Covid-19 pandemic. Being convenient (convenience) while in the transaction process also becomes the important factor and main attention which is closely related to the safety, ease and user friendliness. It was proven by the previous research done by Bove & Benoit (2020); Brusch & Rappel (2020). Marks (2020) found that the convenience in instant shopping activity needed to be detailedly focused on, including the purchase process and the after sales process. Several advantages found since the pandemic occurred becomes a good opportunity for a company or producer to keep doing instant shopping that involves consumer in an engagement process. It was because of the media discontinuity which means that either advertisement or transaction could be carried out in an integrated stage in the social media, particularly in Instagram (H3, H4 supported).

A perceived enjoyment of an instant shopping becomes a much serious attention, especially for both local and international producers. Involving a consumer to get familiar to a new method of shopping has not been as easy as the conventional ones, because some of them was still unfamiliar to this method. Therefore, embedding some features would be useful for the consumers' satisfaction. A research by Chong (2013); Gibreel et al (2018); Groß (2018); Natarajan et al (2017) found an insight related to the perceived enjoyment, especially the consumer had a perception that the hedonic motivation played some roles in this perception; perceiving technology also becomes a considering factor in this case, especially in the recent commerce; the perception also has significant relation in affecting both perceived usefulness and intention to use, as well as intention to adapt in the recent instant shopping. Therefore, the consistency that has been done in this research, especially in Batam, is still giving the same result and effect (H5, H6 supported).

A personal innovativeness also plays an important role, especially in the term of use consisting the intention to use and other factors (ease of use, usefulness, intention to use). Previous research by Kalinic & Marinkovic (2016) concluded that a part of personal innovativeness had a relation directly related to the perceived technology, because innovation is also part of technology, especially in commerce and instant shopping. Research carried out by Joo (2015); Kalinic & Marinkovic (2016); Natarajan et al (2017) explained that instant shopping was an implementation seen by the consumer as an innovation; thefore, it would be much logical if the consumers themselves see it as an implemented use of innovation. It also becomes a consistency result that has been carried out on the consumers in Batam showing that the enthusiasm of personal innovativeness effected to the significant use (H7, H8, H9 supported).

An intention to use affects to the consumers' behavior in the next use, so that it should also be main attention for producer to improve their strategy to the next level, develop their instant shopping store in the future when the pandemic ends. Researches carried out by Bove & Benoit (2020); De' et al., (2020); Ren & Tang (2020) showed that consumers' behavior during the current pandemic clearly cannot be treated in the same way as before; implementation and perceive of technology will also further be supported by the previous factors, such as innovation, convience and user friendliness which are certainly a new way of shopping. It was seen by

millennial generation, especially in Batam (which is close to Singapore) as the safe and familiar way (without physical contact) to shop. A moderating variable of innovation on H11 and H12 (perceived innovativess) in this research is not significant, because innovation is not necessarily a factor that greatly strengthens the use, considering other things such as convenience that affect it significantly (Mosquera et al., 2018; Pipitwanichakarn & Wongtada, 2020; Stocchi et al., 2019; Valdez Cervantes & Franco, 2020).

CONCLUSION

The result of this research provided a real impact on both local, national and multi-national producers who are currently continuing to develop market penetration and competition in e-commerce. Until now, it is found that instant shopping innovation can be done in 1 integrated application. Consumers, especially millennial generation (who are also familiar to the technology), really pay attention to the condition of being convenient, safe, innovative, enjoyful in shopping and other main important things. The other problems that might occur is the sustainability of instant shopping implementation itself; whether they will stay dominantly at conventional way of shopping or move to a new much-easier way of instant shopping.

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